

SB 395**BEER FRANCHISE CLARIFICATION BILL**

1. Montana is one of over 30 states with a Beer Franchise Law.
2. All 50 States have some form of the *three-tier system* for alcohol distribution: Manufacturer, Distributor and Retailer.
3. Beer Franchise Laws address the relationship between the Manufacturing Tier (Brewer) and the Middle Tier (Distributor).
4. The Effect of Beer Franchise Laws - Neutralize unfair provisions in Contracts written by the Brewer.
5. The public policy Purpose - Safeguard Distributor Independence so that Distributors freely operate to perform their function as buffer between Manufacturer and Retailer.
6. The Beer Franchise Law has existed since 1974: this Bill clarifies *existing* law, and does not create *new* law.
7. SB 395: (1) adds the purpose in existing Case Law; (2) re-states the non-waiver language; (3) defines "just cause" necessary for termination, including that it cannot be change in ownership of Manufacturing Tier; and (4) provides guidance to courts.
8. Protects investment of Distributors from arbitrary actions
9. Prevents consolidation NOT based on market forces.

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